# **EXHIBIT U**

#### **Hamas Communique**

HANDING OVER SOURIF MUJAHDEEN AND TORTURING DETAINEES IN JERICHO ARE THE RESULT OF A POLICE OF SECURITY COORDINATION WITH THE OCCUPATION

The results of security coordination between the PA and the Israeli enemy have appeared again, despite [Israel's] continuing obstruction of the peace process. The Israeli military has arrested two mujahdeen Jamal al-Hour and 'Abdel Rahman Ghneimat, who were detained by PA security.

We believe that the abduction of the two mujahadeen was merely an act [carried out] to cover up the direct handover of the mujahadeen by the PA security, since the [PA security officials] did not resist the enemy soldiers and did not try to defend the dignity of their Authority and [provide] protection for their prisoners

Handing over the mujahdeen in this ugly way and the totally humiliating compliance with Israeli troops [has come] at a time when some interrogators in Palestinian jails are using brute force against captured Palestinian mujahdeen, torturing them to extract information about the heroic mujahed 'Adel Awadallah [currently wanted by the PA and Israel]. These are strong indicators of the Authority's move to end the prevailing tranquillity among Palestinians. It clearly trespasses on the calls for national unity and cooperation which have been and are still being made by Hamas, since [such calls] are the bulwark obstructing and frustrating the Zionist schemes.

We call upon the Authority to present clear and convincing justifications for [Israel's] arrest of the two mujahdeen, al-Hour and Ghneimat, and to hold accountable all those involved in the crime of handing them over. We emphasize the need for the release of political prisoners from PA jails, after proven facts have refuted the allegations that they have been detained for their own protection.

We also emphasize the need to halt the torture of Palestinian prisoners and to hold all those involved accountable for this anti-national and immoral crime, and to act immediately to halt blatant atrocities against ideals and morals which have overstepped the accepted boundaries and have begun to threaten all that the Palestinian people have achieved in terms of national unity. The Authority must first direct its attention to the challenges confronting the Palestinian cause on all sides, [particularly the] Israeli intransigence, instead of continuing in these unjustified practices against our people.

These crimes prove that the Authority is incapable of confronting the enemy and the enemy's crimes, and [prove] the failure of its agreements to protect our people and their rights, [and] increase our people's commitment to continue with jihad against the enemy until achieving victory and liberation.

God is great and victory for believers

IslamiC Resistance Movement Hamas - Palestine 16/11/1997

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#### **Settlement news briefs**

Avnei Hefetz Expands

Construction on new housing units is scheduled to begin soon in Alfei Menashe settlement, southeast of Qalqilya; the Israeli authorities issued permits for an additional 300 units several weeks ago. According to a spokesperson for the Council of Jewish Settlers in the West Bank and Gaza Strip (YESHA), work on 72 units frozen by the government for the past five years is also to resume in the very near future. One Israeli government source apparently defended the expansion with the rationale that Alfei Menashe is "not located in the heart of the West Bank" but rather is a "suburb of Kfar Saba" (in Israel). Bulldozing for the expansion began last week on a 4,000-dunam tract of farmland lying near the settlement which has been confiscated from 12 Palestinian families. The Palestinian news agency WAFA reported last week that Israeli bulldozers, guarded by soldiers, had cleared some 20 dunams of land and uprooted 600 olive trees belonging to a farmer near Shoufa, in preparation for the Avnei Hefetz expansion.

Jerusalem Security

The Israeli Housing Ministry is to institute a threefold increase in the budget of security firms currently contracted to provide security for Israeli settlers in Jerusalem's Old City, the Jerusalem village of Silwan (where settlers have taken over Arab homes), and other areas in Arab East Jerusalem. Currently, some NIS11 million per month is allocated to security for Jerusalem settlers. And Israeli prime minister Binyamin Netanyahu made clear his commitment to continued occupation of the city this week, when he told reporters that "if you ask me to choose between Jerusalem and peace, I would choose Jerusalem."

And Elsewhere...

Land-clearing activities were also underway last week in areas near the settlement of Qadumim, on lands from Kufr Qaddum. WAFA reported that Israeli settlers occupied several hundred dunams of land in the area; several dozen dunams were reportedly cleared and several mobile homes installed. Also in the Nablus area, WAFA reported that Israeli troops raided the village of Bani Hassan and searched homes, after a firebomb was apparently thrown at Qadumim settlers.

An Israeli company apparently has plans to open a stone quarry on land in the Hebron area; according to WAFA, residents of Doura, Taffouh and Tarqoumia villages say that they have been threatened with land confiscations for the quarry's establishment. The Ben Aryeh company has been temporarily halted by court order from working on opening the quarry; however, residents said that work is continuing under protection of Israeli soldiers. Also in Hebron, Suissya settlers last week obstructed local farmers from planting on their land, threatening to take away the Palestinians' farming equipment and uproot any tree seedlings planted.

Palestinians living near the Etzion settlement in the Bethlehem area reported being harassed last week, with settlers and Israeli soldiers barring them from working their farmlands. And in the hamlets of Tabra and Wadi Rahal, which lie near Efrat settlement, local council head Ibrahim Hasaneen reported last week that workers from Efrat had begun setting up street lights on the main road leading to the two villages. Hasaneen told al-Quds that local residents are worried that the improvements are a sign that the road is to be confiscated for use as a

bypass road, (which will prohibit Palestinian land use for 50 meters on either side of the road).

**UNanimous Decision** 

With the unsurprising exceptions of the United States, Israel and Micronesia, the United Nations General Assembly voted in favor of a resolution condemning Israeli settlement policies in the Palestinian territories, particularly in occupied East Jerusalem. The vote was taken on November 13, with 139 countries supporting.

Compiled by Rose-Marie Barbeau@

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## World Bank: Palestinian economy a "black mark" in region

World Bank vice president Kamal Darwish, speaking at the Middle East and North Africa (MENA) Economic Conference in Doha this week, said that the 30 percent drop in average per capita annual income in the Palestinian territories since 1993 is a "black mark" against the overall steady economic growth in the rest of the region. Darwish said that MENA countries in general had witnessed average annual growth rates of 4.5 percent, compared with 1.5 percent of the previous decade, while the West Bank and Gaza lag far behind.

Coinciding with the Doha conference, the World Bank and the Palestine Economic Policy Research Institute (MAS), a branch of the Palestinian Economic Council for Development and Reconstruction (PECDAR), released a new report this week entitled "Development Under Adversity: the Palestinian Economy in Transition". In it, three areas of policy change are identified which -- if implemented -- could jump start the Palestinian economy. And, with surprising directness for a World Bank publication, the report identifies "the permit and closure policies that Israel has implemented since 1993" as "a major new constraint and challenge to economic development of the WBGS" (West Bank and Gaza Strip). And, says the report, the "post-Oslo period of border closures comes on the heels of large negative shocks generated by the Intifada after 1988 and the Gulf war in 1990-1991; as a result, real per capita expenditure has continued to deteriorate over more than a decade, and is now at its lowest level for any year since 1980."

The two most significant negative characteristics of the Palestinian economy currently are "high and increasing levels of poverty" and "excessively high and widely fluctuating unemployment rates," and the "central story of the West Bank and Gaza Strip economy in the past few years is one of deterioration..." This stands in marked contrast to the "hope of the official actors in the peace era", which was "that domestic job creation by an export-oriented private sector would expand domestic employment fast...", a hope which has been greatly diminished if not extinguished by "political factors in the post-Oslo period" which have "suffocated export-oriented private sector development. When closure policy is implemented, Palestinian workers, businessmen and merchandise can be delayed suddenly and for long periods at the border."

Thus, free access, accompanied by more advantageous trade policy options for Palestinians, is the first of the policy changes which is required in order for the WBGS economy to begin to

pull out of its steady decline. The second change called for by the World Bank and MAS is the establishment of "a modern system of governance". Because of its "rich civil society and high level of skills, Palestinian society has the potential to break the regional mold and jump to a modern state that is efficient and compassionate at once," states the report. However, "while the public sector's track record has not been long, there are indications that it may move toward the regional mold." An improved civil service, increasing revenues and decreased fiscal deficits, and the implementation of stabilizing mechanisms to better offset the shocks of Israeliimposed closures, are all required in reforming the Palestinian Authority.

Equally as important, however, the PA must be able to effectively tap into the rich resource of skills and experience offered by returnees and NGOs. Of course, given that "NGOs, as special interest groups, may have a conflict of interest with the overall public good", the World Bank/MAS recommends the establishment of "accountability mechanisms with a framework that fosters both competition and the free flow of information".

Ultimately, however, the report stipulates that the Palestinian economy, which "is on a knife's edge between take-off and collapse", will stand or fall on the country's political fortunes. "Under good circumstances, it is perfectly realistic to expect the economy to leap-frog and become a high-tech center in the Middle East, attract back Palestinian Diaspora skills and capital, and link up with the East and West. At the other end of the spectrum, the continuation of the present status quo could produce a socio-economic disaster." RMB

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#### What shall we do?

By: Haidar 'Abdel Shafi

What shall we do? Has the time come for us to put our thoughts and intuition toward formulating an answer to this question? We often hear optimistic statements such as "we will establish our independent state and we will pray together at al-Aqsa mosque in Jerusalem." What lies behind these statements, which have no basis in the depressing reality. Are they made in order to stave off depression and pessimism or what?

Don't such statements only serve to distance us from thinking and trying seriously to overcome our current situation, and deciding what to do about our predicament? At what point do we stop avoiding answering the question of what to do about our problems and the difficult challenges we are facing? The way out of depression and desperation is not through wishful thinking, but by serious thought and organized work.

I believe that every Palestinian wherever s/he is -- inside Palestine or abroad -- has something to offer in advancing our national cause. However, the way to further this cause in practical terms is through organization which takes into consideration the reality of the Palestinian people in all its dimensions and special characteristics. For example, dealing with the majority of the Palestinian people, who live in the Diaspora, is slightly different from dealing with the situation of the Palestinian people inside. I will limit myself here to dealing with the situation

inside.

To begin with, I believe we have no other choice than to adopt democracy as the method which will allow us to organize ourselves satisfactorily. It will also take into consideration our human and economic resources and put them to work for the general good. Democracy will also help to bring about social justice and weaken internal conflicts, and will promote cooperation and communal work which benefits the people as a whole. The ultimate result of this will be harmonious national unity.

I don't that this will be as easy as I have just made it sound. It is really a gamble on ourselves that we have the will to rid ourselves of our painful reality and to persist in bringing about change. This will is what can help us achieve a better, stronger permanent presence on the land we are standing on and holding on to. It is also a call for optimism and hope for the future. I have no doubt that all this will project a better image of Palestinian society and will gain us the compassion and respect of the world, just as it will worry the Israeli authorities and cast doubt on their visions of the future...

Elections are the first step on the road to democratic transformation and realizing the will of the people and their right to self-determination. The election of the Legislative Council under the Palestinian National Authority was an important event in the life of the Palestinian people, their hopes for achieving their national goals and grounding themselves on constitutional principles. Unfortunately, however, the Council's path was disturbed, and so it did not achieve the hopedfor democratic transformation of Palestinian society, for reasons which it is futile to bring up again. Bygones should be bygones, and what is needed now is to look ahead to the future.

In my opinion, the present Legislative Council has lost its power to achieve the required democratic transformation, because of the obstacles placed in its path. In addition, all national parties are not represented in the Council, because of their boycott of the elections. Therefore, we must work on a new beginning which will profit from this brief experience, in order to do better.

I think that the Council should dissolve itself, to pave the way for new elections in which all existing national parties and groups can participate, and a comprehensive representation of Palestinian society is achieved. I think this can be a practical suggestion, if everyone is convinced of its necessity and importance, and if there is enough determination to carry it out. In this way, we will close the door on the past after learning our lessons from it, and we will begin a new day full of hope with a new Council whose duty will be to establish a Palestinian model of democracy.

I make this suggestion fully convinced of its importance and necessity. I present it to everyone in Palestinian society; to all who have not forgotten the martyrs and our great sacrifices in land and wealth; to all those who have not forgotten Jerusalem with all our holy places and heritage. I hope this will open a debate which will lead us to the right path.

And finally, a word to President Arafat. It is my duty, Mr. President, to believe what you say, for we are speaking frankly. I have no doubt that you see the whole picture in its true colors from the benefit of your experience and expertise. There is no doubt that you must decide where you stand without hesitation. You are the leader of a long struggle. You must decide how it will end. I hope that your decision will be to cooperate with the new Council in order to establish a Palestinian model of democracy.

This commentary first appeared in al-Quds on November 17, 1997. Trans. by J. Baker

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## The Palestinian street supports Saddam

by: Ghassan Khatib

Once again, with tensions between Iraq and the United States on the rise, questions are being asked about the Palestinian public's opinion on the US-Iraqi dispute. Fortunately, no questions have been asked as to what the official position of the Palestinian leadership is toward Iraq. This is probably because the leadership seems to have learned a lesson from the heavy price it paid and continues to pay for expressing is previous support for Iraq during the 1991 Gulf war. But on the popular level, there have been several obvious demonstrations of support for the Iraqi position, its people and government in the Palestinian territories, and many Western diplomats and journalists have been expressing amusement at the "strange" attitude of the Palestinian public.

The Palestinian public has been supportive and remains supportive of Iraq not simply because Iraq is part of the Arab world to which Palestinians belong. Palestinian support for Iraq is also an expression of the frustration and anger caused here by the blatant double standards in the attitudes and actions of the Western superpowers, which move swiftly and dramatically to enforce Iraqi compliance with United Nations Security Council resolutions (as an expression of international legitimacy), while Israel has consistently flaunted Security Council resolutions for the past 30 years without being subject to any kind of pressure from either UN bodies or the superpowers.

On the contrary, last month in Washington DC, the Israeli defense minister Yitzhak Mordechai signed an agreement by which Israel will receive 50 of the most advanced US-made fighter planes. On the very same day in the very same city, his colleague, Israeli foreign minister David Levy, was refusing to demonstrate any flexibility in his talks with the Palestinian delegation, in short, refusing to comply not only with UN resolutions but even with peace agreements signed by Israel itself.

There is another reason that Palestinian public support for Iraq is increasing: Iraq's strong and hostile stand against Israel and the fact that Iraq previously was willing to launch missiles at Israeli targets. For Palestinians, this is a welcome contrast to the fact that despite six years of a peace process that began after the Gulf war, Israel has not changed its attitude toward Palestinians and has not ceased to carry out acts of aggression against Palestinians, their rights, homes, and security. Thus, people are happy to see someone standing up to the United States and Israel, as Palestinian leaders drink coffee and shake hands with the Israelis and Americans who are directly responsible for the increasing poverty and frustration in the West Bank and Gaza.

The last and most significant lesson which can be taken from observing the recent regional developments has to do with the obvious decrease in the United States' ability to form an alliance within the Arab world which is fully supportive of its actions against Iraq. The reason

for this is that Arab governments and people are becomingly increasingly critical of the American approach to running the peace process. They cannot help but see the obvious bias shown toward Israel by the US, despite Israel's clear responsibility for the delays in the peace process, and they cannot help but see that there is a desperate need for the US to take its mediation duties seriously and bring Israel into compliance with the conditions of the peace process--in short, to pressure Israel into implementing the agreements it signed.

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### NewsShortsNewsShortsNewsShortsNewsShorts

Coals to Newcastle?

A deal was struck this week between Dutch flower wholesalers and the Palestinian Ministry of Agriculture. According to Ata Abu Karsh, assistant deputy agriculture minister, approximately US\$200,000 worth of Palestinian cut flowers grown in the Gaza Strip are to be exported to Holland via Egypt.

AIDS in Palestine

Director of preventive medicine for the PA Ministry of Health, As'ad Ramlawi, this week reported that the number of AIDS cases throughout the Palestinian areas is rising, although it remains low. According to Ramlawi, there are 49 cases of AIDS among Palestinians; 16 in Jerusalem, 7 in the Gaza Strip and 26 in the remaining West Bank.

What Peace Treaty?

The first exhibition to promote Jordanian products in Israel, which was scheduled to be held in the Palestinian village of Kufr Kanna inside the Green Line, was frustrated by Israeli authorities who prohibited the Jordanian products from entering Israel. This is the second time the trade fair has been cancelled, and it is unlikely that organizers will try again, since several Jordanian companies have withdrawn after delivery trucks were kept waiting for more than a week at the border without receiving approval to cross into Israel.

Plea for Release

The Palestinian Human Rights Monitoring Group has called upon Palestinian president Yasser Arafat to release Dr. Fathi Subuh in an appeal published this week in the local press. Dr. Subuh, a university professor at al-Azhar University in Gaza city, has been detained without trial by Palestinian authorities since last August after asking his students exam questions relating to corruption in the PA and the university. The appeal for his release was signed by 18 academics, who promised to continue their campaign of protest using all peaceful means available.

Magadmeh Comes Home

After several months in hiding, Hamas leader Ibrahim Maqadmeh returned to his home in Gaza. Maqadmeh, who is wanted by both the Israeli and Palestinian police, has had an arrest order outstanding against him since the Tel Aviv cafe bombings last March. The PA recently cancelled the arrest order for no apparent reason, whereupon Maqadmeh came out of hiding and returned home.